

### **South Africa in the process of revamping its tax policies, considers small Businesses**

On 17 July 2013 the Ministry of Finance announced the members of the Tax Review Committee (the Committee) as well as the Committee's Terms of Reference. This gave effect to the Ministry's previous announcement in February 2013 when the 2013/14 Budget was tabled which stated that the government will initiate a tax review this year to assess tax policy framework and its role in supporting the objectives of inclusive growth, employment, development and fiscal sustainability.

It was decided at the inaugural meeting of the Committee on 25 July 2013 that the Committee will be known as The Davis Tax Committee (DTC).

Accordingly, the DTC submitted a Small and Medium Enterprise (SME) interim report to the Ministry of Finance after taking into account very wide consultations and submissions from the public. The report has taken into account as many as 28 submissions from the public. Subsequently, the Ministry of Finance has announced in the 2014 budget review that two recommendations of the report so made will be accepted. The recommendations that have been accepted will now be open to public comments.

The report covers the following areas relating to the taxation of SMEs:

- The role of SMEs in the economy;
- The definition of a small business;
- Challenges facing SMEs, especially the tax compliance burden;
- A review of income tax incentives for "small business corporations";
- A review of the income tax incentive for "venture capital companies" to fund small businesses;
- A review of the alternative presumptive turnover tax system for "micro businesses";
- A review of the Value-Added Tax requirements for SMEs;
- The impact of the new Employment Tax Incentive on SMEs.

For more information, please [click here](#)

17 July 2014

In this issue:

- **South Africa in the process of revamping its tax policies, considers small Businesses**
- **South African Government pumps in money for the betterment of infrastructure**
- **BRICS to set up a New Development Bank with regional office in South Africa**



India Juris

### International Desks

#### Asia & Australia

M.P.Mehani  
asia@indiajuris.com

#### Americas

Shiv U Idnani  
americas@indiajuris.com

#### UK & Europe

Sameer Rastogi  
europe@indiajuris.com

#### Africa

Surabhi Tyagi  
africa@indiajuris.com

[Top](#)

**South African Government pumps in money for the**

## **betterment of infrastructure**

Provision of proper infrastructure is a serious concern for the South African government. For the same reasons the government has decided to allocate some part of the budget for improving the conditions of the roads. The Transport Ministry has stated that steady progress is being made to improve the condition of the country's roads. The department's R49.7 billion-budget was tabled in the Parliament on Tuesday evening. It seeks to go in for an upgrade in overall infrastructure of the country. While the Transport Ministry highlighted the achievements of the last 20 years it was also emphasized that the infrastructure could be improved especially in the municipal, rural and provincial areas.

The department is also training civil engineering students who would later be absorbed into the department. The government is moving towards establishing world class infrastructure facilities for ensuring the furtherance of the interests of the economy.

For more information, please [click here](#)

Middle East

Dinesh Sabharwal

[middleeast@indiajuris.com](mailto:middleeast@indiajuris.com)

## **India Contact**

New Delhi

[newdelhi@indiajuris.com](mailto:newdelhi@indiajuris.com)

[Top](#)

## **BRICS to set up a New Development Bank with regional office in South Africa**

BRICS is an association / bloc of five major emerging national economies: Brazil, Russia, India, China, and South Africa. South Africa joined the group in 2010 before which it was known as "BRIC". They are all developing or newly industrialised countries and are distinguished by their large, fast-growing economies and significant influence on regional and global affairs.

On Tuesday, the bloc announced that it is envisaging the establishment of a New Development Bank (NDB) and is also planning for a Contingent Reserve Arrangement (CRA). The bank will be based in China but will have a regional office in South Africa. The regional office will be established simultaneously with the headquarters in Shanghai.

The NDB will have an initial authorised capital of 100 billion US Dollars, and its initial subscribed capital of 50 billion Dollars will be equally shared among founding members. The five countries decided that the first chair of the Board of Governors shall be from Russia, the first chair of the Board of Directors from Brazil, and the first President of the bank from India.

The bank will be aimed at "mobilising resources for infrastructure and sustainable development projects in BRICS and other emerging and developing economies".

For more information, please [click here](#)

[Top](#)

